# GOVERNMENT OF INDIA
# COMMUNICATIONS AND INFORMATION TECHNOLOGY
# LOK SABHA

STARRED QUESTION NO:278
ANSWERED ON:16.03.2016
Freedom 251 Mobile
Gaikwad Dr. Sunil Baliram;Mahato Shri Bidyut Baran

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

(a) whether the Government has taken note of launch of the world"s cheapest smart phone 'Freedom 251" in the country recently;

(b) if so, the details thereof and whether any complaint has been received by the Government against the company;

(c) if so, the details thereof and the action taken by the Government thereon;

(d) whether the Department of Electronics and Information Technology has set up an internal panel to assess the viability and credibility of this smart phone/ project; and

(e) if so, the details thereof and the other steps taken/being taken by the Government to protect the interest of customers?

## Answer

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED
QUESTION NO. *278 FOR 16.03.2016 REGARDING FREEDOM 251 MOBILE
********

(a) and (b): The phone "Freedom 251" was advertised in media to be sold at a price of Rs.251/- (plus Rs.40/- for shipping), by the company M/s. Ringing Bells Pvt. Ltd. The phone was advertised with following technical specifications: 1.3 GHz Quadcore processor, running on Android Lollipop 5.1, 1 GB RAM, 8GB internal storage expandable upto 32GB, 4" qHD Screen, 3.2 MP AF Rear and 0.3 MP front camera and 1450 mAh Battery. Some concerns were raised regarding the offer made by the said company. The Indian Cellular Association (ICA) vide letter dated 17.02.2016 inter-alia informed that a smart phone with the aforesaid specifications cannot be manufactured and made available at such a low price of Rs.251/-. Others have expressed concern on the genuineness of the offer and have urged that consumer interest be suitably protected. Some Members of Parliament had also complained.

(c), (d) and (e): The Government through various Departments is taking steps to protect the interest of consumers. A complaint has been received against M/s. Ringing Bells Pvt. Ltd. by the Department of Revenue, Ministry of Finance. The Directorate of Enforcement is investigating the matter for possible contraventions of the provisions of Foreign Exchange Management Act, 1999. Further, Ministry of Corporate Affairs has taken suo motu action on the news coverage by TV channels/newspapers etc. and sent email to Serious Fraud Investigation Office (SFIO) on 19.02.2016 to keep a watch on the activities of the company which appear to be suspicious. In response SFIO has sent their Research report dated 23.02.2016 prepared by Market Research & Analysis Unit (MRAU) along with proposal to call for information under section 206 of the Companies Act, 2013 from Registrar of Companies (ROC). On the basis of the report of SFIO, Ministry of Corporate Affairs vide Letter dated 25.02.2016 has advised Regional Director (North Region) to direct ROC, Delhi to take up the matter with the company and its directors under section 206(1) of the Companies Act, 2013 and send a report through the Directorate.

Also, an internal committee was constituted by the Department of Electronics and Information Technology (DeitY) on 20.02.2016 to review the issues involved in Freedom 251 mobile phone. M/s. Ringing Bells Pvt. Ltd. was informed vide DeitY's letter dated 22.02.2016 that mobile phones have been mandated under "Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012" for compliance to Indian Safety standards w.e.f. 13th September 2015. Therefore, the company was required to comply with BIS registration based to Indian safety standards.

********